

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 261 - HB 939

March 19, 2017

SUMMARY OF BILL: Requires a party to a workers' compensation (WC) claim who is dissatisfied or aggrieved by a compensation order from the Court of Workers' Compensation Claims to file an appeal first with the Workers' Compensation Appeals Board (Appeals Board) and then, if dissatisfied or aggrieved by a final judgment, a party may file a discretionary appeal to the Tennessee Supreme Court.

Changes the standard upon which the Appeals Board may reverse or modify or remand a decision of a workers' compensation judge.

Gives the Court of Worker's Compensation jurisdiction over contested physician fees and charges of hospitals under Tenn. Code Ann. § 50-6-226(a)(4) and appeals of decisions of the Claims Commission involving injury or death to members of the National Guard.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$7,500/Bureau of Worker's Compensation

Decrease State Revenue - \$2,500/Department of Treasury

Increase State Expenditures - \$7,500/Bureau of Worker's Compensation

Decrease State Expenditures - \$2,500/Department of Treasury

Assumptions related to all WC appeals being first heard by the Appeals Board:

- The provisions of this legislation will require all (WC) appeals to go before the Appeals Board prior to the Tennessee Supreme Court.
- The Bureau of Workers Compensation (BWC) reports a total of six appeals of post-reform workers' compensation claims appealed directly to the Tennessee Supreme Court since 2014.
- Due to the infrequency of direct appeals to the Tennessee Supreme Court, requiring WC appeals to first be heard by the Appeals Board will result in a not significant impact to the BWC and the Tennessee Supreme Court.

- Changing the standard in which the Appeals Board may reverse or modify or remand a decision of a workers' compensation judge is not expected to impact revenue or expenditures of the BWC.

Assumptions related to the Appeals Board hearing state employee appeals:

- Based on information provided by the BWC, it is unclear if the Court of Workers' Compensation would have jurisdiction in cases pursuant to Tenn. Code Ann. § 50-6-226 and Tenn. Code Ann. § 58-1-230. Assuming the BWC is found to have jurisdiction, the Workers' Compensation Appeals Board would experience an increase in caseloads resulting from the Appeals Board hearing state employee WC cases.
- Currently, all state employee WC cases and appeals are heard by the Claims Commission within the Department of Treasury (DOT). The provisions of the legislation still require the Claims Commission to hear all state employee WC claims.
- Based on information provided by the BWC and the DOT, it is reasonably estimated that the legislation will result in 100 fewer appeals being heard by the Claim Commission, and an additional 100 appeals heard by the Appeals Board.
- The DOT collects a \$25 fee for each appeal filed with the Claims Commission. The recurring decrease in state revenue to the DOT is estimated to be \$2,500 (100 x \$25).
- The recurring decrease in state expenditures for the Claims Commission is estimated to be \$2,500.
- The BWC reports a \$75 fee for each appeal filed with the Appeals Board. The recurring increase in state revenue to the BWC Appeals Board is estimated to be \$7,500 (100 x \$75).
- It is reasonably estimated that the BWC Appeals Board will incur additional expenditures as a result of the estimated 100 additional appeals. The recurring increase in state expenditures to the BWC Appeals Board is estimated to be \$7,500.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Worker's Compensation premiums are not expected to be impacted by the provisions of the legislation.
- The provisions of the legislation are not expected to impact commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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